

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1134

Introduced by Brashear, 4; Bourne, 8; Brown, 6; Cornett, 45; Kruse,
13; Mines, 18; Pahls, 31; Preister, 5; Synowiecki, 7

Read first time January 17, 2006

Committee: Revenue

A BILL

1 FOR AN ACT relating to convention center facility financing;
2 to amend sections 13-2601, 13-2603, 13-2605, 13-2607,
3 13-2609, and 13-2610, Revised Statutes Cumulative
4 Supplement, 2004; to modify the Convention Center
5 Facility Financing Assistance Act; to define terms;
6 to eliminate a termination provision; to harmonize
7 provisions; to repeal the original sections; and to
8 outright repeal sections 13-2608 and 13-2612, Revised
9 Statutes Cumulative Supplement, 2004.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-2601, Revised Statutes Cumulative
2 Supplement, 2004, is amended to read:

3 13-2601 Sections 13-2601 to ~~13-2612~~ 13-2611 shall be
4 known and may be cited as the Convention Center Facility and Arena
5 Financing Assistance Act.

6 Sec. 2. Section 13-2603, Revised Statutes Cumulative
7 Supplement, 2004, is amended to read:

8 13-2603 For purposes of the Convention Center Facility
9 and Arena Financing Assistance Act:

10 (1) ~~Attributable revenue means new state tax revenue~~
11 ~~generated due to the construction of the eligible facility,~~
12 ~~employment at the eligible facility, and spending by participants,~~
13 ~~increased by the applicable investment multiplier~~ Arena means any
14 real or personal property utilized as necessary to hold sporting,
15 entertainment, and group meetings;

16 (2) Arena participant means a person who attends an event
17 at an arena financed under the Convention Center Facility and Arena
18 Financing Assistance Act;

19 ~~(2)~~ (3) Board means a board consisting of the Governor,
20 the State Treasurer, the chairperson of the Nebraska Investment
21 Council, the chairperson of the Nebraska State Board of Public
22 Accountancy, and a professor of economics on the faculty of a
23 state postsecondary educational institution appointed to a two-year
24 term on the board by the Coordinating Commission for Postsecondary
25 Education. For administrative and budget purposes only, the board

1 shall be considered part of the Department of Revenue;

2 ~~(3)~~ (4) Bond means a general obligation bond,
3 redevelopment bond, lease-purchase bond, revenue bond, or
4 combination of any such bonds;

5 ~~(4)~~ (5) Convention and meeting center facility means any
6 real or personal property necessary for a convention and meeting
7 center, including an auditorium, an exhibition hall, a facility for
8 onsite food preparation and serving, an onsite, directly connected
9 parking facility for the use of the convention and meeting center
10 facility, and an administrative office of the convention and
11 meeting center facility;

12 (6) Convention participant means a person who attends an
13 event at a convention and meeting center facility financed under
14 the Convention Center Facility and Arena Financing Assistance Act;

15 ~~(5)~~ (7) Eligible facility means any publicly owned
16 convention and meeting center facility or arena acquired,
17 constructed, improved, or equipped after January 1, 1999;

18 ~~(6)~~ (8) General obligation bond means any bond or
19 refunding bond issued by a political subdivision and which is
20 payable from the proceeds of an ad valorem tax;

21 ~~(7)~~ Investment multiplier means the number of times
22 spending induces additional spending on goods and services;

23 ~~(8)~~ New regional, national, or international event means
24 a convention, meeting, trade show, or other educational function
25 at which at least fifty percent of the participants are registered

1 from a location outside Nebraska and which was not held in Nebraska
2 during the three years prior to the completion of construction of
3 the convention and meeting center facilities;

4 ~~(9)~~ Participant means a person registered to attend and
5 shown to have attended a new regional, national, or international
6 event at a convention and meeting center facility financed under
7 the act;

8 ~~(10)~~ (9) Political subdivision means any local
9 governmental body formed and organized under state law and any
10 joint entity or joint public agency created under state law to act
11 on behalf of political subdivisions which has statutory authority
12 to issue general obligation bonds;

13 ~~(11)~~ (10) Revenue bond means any bond or refunding bond
14 issued by a political subdivision which is limited or special
15 rather than a general obligation bond of the political subdivision
16 and which is not payable from the proceeds of an ad valorem tax;
17 and

18 ~~(12)~~ (11) State tax revenue means the Nebraska income tax
19 imposed pursuant to the Nebraska Revenue Act of 1967, the Nebraska
20 sales and use tax imposed pursuant to the Nebraska Revenue Act of
21 1967, and the state tax imposed by section 81-1253.

22 Sec. 3. Section 13-2605, Revised Statutes Cumulative
23 Supplement, 2004, is amended to read:

24 13-2605 (1) All applications for state assistance under
25 the Convention Center Facility and Arena Financing Assistance Act

1 shall be in writing and shall include a certified copy of the
2 approving action of the governing body of the applicant describing
3 the proposed eligible facility and the anticipated financing.

4 (2) The application shall contain:

5 (a) A description of the proposed financing of the
6 eligible facility, including the estimated principal and interest
7 requirements for the bonds proposed to be issued in connection
8 with the eligible facility or the amounts necessary to repay the
9 original investment by the applicant in the eligible facility;

10 (b) The estimated number of convention participants and
11 arena participants and the estimated amount of the spending impact
12 of these participants on attributable revenue that may attend
13 events at an eligible facility for the time period for which state
14 assistance is sought;

15 ~~(c) A specific listing of the investment multipliers~~
16 ~~suggested for use in evaluating the application;~~

17 ~~(d) Estimates of attributable revenue based on the~~
18 ~~investment multipliers;~~

19 ~~(e) (c) Documentation of local financial commitment to~~
20 ~~support the project, including all public and private resources~~
21 ~~pledged or committed to the project; and~~

22 ~~(f) (d) Any other project information deemed appropriate~~
23 ~~by the board.~~

24 (3) Upon receiving an application for state assistance,
25 the board shall review the application and notify the applicant of

1 any additional information needed for a proper evaluation of the
2 application.

3 Sec. 4. Section 13-2607, Revised Statutes Cumulative
4 Supplement, 2004, is amended to read:

5 13-2607 (1) After consideration of the application and
6 the evidence, the board shall issue a finding of whether the
7 convention and meeting center facility or arena described in the
8 application is eligible for state assistance.

9 (2) If the board finds that the facility described in the
10 application is an eligible facility and that state assistance is in
11 the best interest of the state, the application shall be approved.

12 (3) In determining whether state assistance is in the
13 best interest of the state, the board shall consider the ~~amount~~
14 ~~of attributable revenue estimated to be derived by the state from~~
15 ~~the eligible facility and the~~ nature of the events to be held
16 at the eligible facility, the estimated economic impact of the
17 events to be held at the eligible facility, and the fiscal and
18 economic capacity of the applicant to finance the local share of
19 the eligible facility.

20 (4) A majority of the board members constitutes a quorum
21 for the purpose of conducting business. All actions of the board
22 shall be by a majority vote of all the board members, one of whom
23 must be the Governor.

24 Sec. 5. Section 13-2609, Revised Statutes Cumulative
25 Supplement, 2004, is amended to read:

1 13-2609 If an application is approved, the board shall
2 annually:

3 (1) ~~Audit or review audits of the approved convention and~~
4 ~~meeting center facility to determine the number of participants at~~
5 ~~the facility that are registered from a location outside Nebraska~~
6 ~~and to assure the number of conventions which were not held~~
7 ~~in the state during the three years prior to the construction~~
8 ~~of the facility. Review a summary of the number of convention~~
9 ~~participants and arena participants who attended events at the~~
10 ~~eligible facility, certified by the applying political subdivision;~~

11 (2) ~~Determine the amount of attributable revenue with~~
12 ~~regard to construction, improvement, or equipping of the eligible~~
13 ~~facility, employment at the eligible facility, and participants~~
14 ~~attending a new regional, national, or international event for~~
15 ~~which at least one-half of the participants were registered from a~~
16 ~~location outside Nebraska. Provide state assistance to the applying~~
17 ~~political subdivision in the amount of:~~

18 (a) For the 2006-07 fiscal year, ten dollars per
19 convention participant and two dollars per arena participant;
20 and

21 (b) For each fiscal year after the 2006-07 fiscal
22 year, the amounts described in subdivision (a) of this subsection
23 annually adjusted by the percentage change in the Consumer Price
24 Index — All Urban Consumers, as published by the Bureau of Labor
25 Statistics of the United States Department of Labor; and

1 (3) Certify to the State Treasurer the amount of
2 ~~attributable revenue to the State Treasurer~~ state assistance to
3 be awarded.

4 Sec. 6. Section 13-2610, Revised Statutes Cumulative
5 Supplement, 2004, is amended to read:

6 13-2610 (1) Upon the annual certification under section
7 13-2609, the State Treasurer shall transfer ~~after the audit~~ the
8 amount certified to the Convention Center and Arena Support Fund.
9 The Convention Center and Arena Support Fund is created. Any money
10 in the fund available for investment shall be invested by the state
11 investment officer pursuant to the Nebraska Capital Expansion Act
12 and the Nebraska State Funds Investment Act.

13 (2) It is the intent of the Legislature to appropriate
14 from the fund to any political subdivision for which an application
15 for state assistance under the Convention Center Facility and
16 Arena Financing Assistance Act has been approved an amount not
17 to exceed seventy percent of the ~~attributable revenue~~ state
18 assistance calculated pursuant to section 13-2609, seventy-five
19 million dollars for any one approved project, or the cost of
20 acquiring, constructing, improving, or equipping the eligible
21 facility. The money shall not be used for an operating subsidy
22 or other ancillary facility.

23 (3) State assistance to the political subdivision shall
24 no longer be available upon the retirement of the bonds issued
25 to acquire, construct, improve, or equip the facility or any

1 subsequent bonds that refunded the original issue or when the cost
2 of acquiring, constructing, improving, or equipping the eligible
3 facility exceeds seventy-five million dollars, whichever ~~comes~~
4 occurs first.

5 (4) It is the intent of the Legislature that the
6 remaining thirty percent of ~~attributable revenue~~ state assistance
7 calculated pursuant to section 13-2609 be appropriated by the
8 Legislature to the Local Civic, Cultural, and Convention Center
9 Financing Fund.

10 Sec. 7. Original sections 13-2601, 13-2603, 13-2605,
11 13-2607, 13-2609, and 13-2610, Revised Statutes Cumulative
12 Supplement, 2004, are repealed.

13 Sec. 8. The following sections are outright repealed:
14 Sections 13-2608 and 13-2612, Revised Statutes Cumulative
15 Supplement, 2004.